

Bruce A. Rubin, OSB No. 76318  
bruce.rubin@millernash.com  
Heather K. Cavanaugh, OSB No. 03164  
Miller Nash LLP  
3400 U.S. Bancorp Tower  
111 S.W. Fifth Avenue  
Portland, Oregon 97204-3699  
Telephone: (503) 224-5858  
Fax: (503) 224-0155

Attorneys for Respondents Wynnefield  
Partners Small Cap Value, LP; Wynnefield  
Partners Small Cap Value, LP I;  
Wynnefield Small Cap Value Offshore  
Fund, Ltd.; and Wynnefield Capital  
Management, LLC

UNITED STATES DISTRICT COURT  
DISTRICT OF OREGON

PGI, INC., fka PHOENIX GOLD  
INTERNATIONAL, INC.,

No. \_\_\_\_\_

Petitioner,

NOTICE OF REMOVAL OF ACTION  
UNDER 28 USC §§ 1332, 1441 AND  
1446

v

WYNNEFIELD PARTNERS SMALL CAP  
VALUE, LP, WYNNEFIELD PARTNERS  
SMALL CAP VALUE, LP I, WYNNEFIELD  
SMALL CAP VALUE OFFSHORE FUND,  
LTD., WYNNEFIELD CAPITAL  
MANAGEMENT, LLC, and SAMUEL  
REBOTSKY,

Respondents.

TO: THE CLERK OF THE COURT

Pursuant to 28 USC §§ 1332, 1441 and 1446, respondents Wynnefield Partners  
Small Cap Value, LP, Wynnefield Partners Small Cap Value, LP I, Wynnefield Small Cap Value  
Offshore Fund, Ltd., and Wynnefield Capital Management, LLC (collectively "Wynnefield")

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hereby give notice of removal of the action entitled PGI, Inc., fka Phoenix Gold International, Inc., v. Wynnefield Partners Small Cap Value, LP, Wynnefield Partners Small Cap Value, LP I, Wynnefield Small Cap Value Offshore Fund, Ltd., Wynnefield Capital Management, LLC, and Samuel Rebotsky, Case No. 0612-12478, pending in the Circuit Court of the State of Oregon for the County of Multnomah to the United States District Court for the District of Oregon, Portland Division.

### **BASIS FOR REMOVAL**

1. On or about December 1, 2006, petitioner filed a petition for judicial appraisal of shares in the Circuit Court for the State of Oregon, Multnomah County. According to paragraph 1 of the complaint, and for purposes of 28 USC § 1332, petitioner is a resident and citizen of the State of Oregon.

2. On December 1, 2006, petitioner served its petition on the Wynnefield respondents. For purposes of 28 USC § 1332, respondent Wynnefield Partners Small Cap Value, LP, is a Delaware limited partnership; none of its limited or general partners are citizens of the State of Oregon. Respondent Wynnefield Partners Small Cap Value, LP I, is a Delaware limited partnership; none of its limited or general partners are citizens of the State of Oregon. Respondent Wynnefield Small Cap Value Offshore Fund, Ltd., is a corporation formed and existing under the laws of the Cayman Islands, with its principal offices located in New York, New York. Respondent Wynnefield Capital Management, LLC, is a New York limited liability company; none of its members are citizens of the State of Oregon. Respondent Samuel Rebotsky is an individual residing in Forest Hills, New York.

3. Copies of all process, pleadings, and orders served on the Wynnefield respondents are attached to this notice and incorporated by reference herein. The Wynnefield respondents have not taken any action in the circuit court that would prejudice their right to removal.

4. The United States District Court for the District of Oregon has original jurisdiction of this civil action pursuant to 28 USC § 1332 because the matter in controversy exceeds \$75,000, exclusive of interest and costs, and because this action involves a dispute between citizens of different states.

5. Pursuant to 28 USC § 1446(b), this notice of removal is filed within 30 days after service of the Petition for Judicial Appraisal of Shares, which is the initial pleading setting forth the claims for relief upon which this civil action is based.

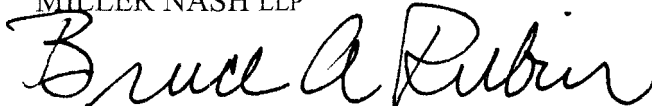
6. This action may be removed to this court by the Wynnefield respondents pursuant to the provisions of 28 USC § 1441 and according to the procedure in 28 USC § 1446.

7. Promptly after filing this notice of removal, the Wynnefield respondents will serve a copy of the notice upon petitioner and will file a copy with the Clerk of the Circuit Court of Multnomah County, Oregon.

WHEREFORE, the Wynnefield respondents re-move the above-entitled action now pending in the Circuit Court of Multnomah County, State of Oregon, to the United States District Court for the District of Oregon.

DATED this 29 day of December, 2006.

MILLER NASH LLP



Bruce A. Rubin, OSB No. 76318

bruce.rubin@millernashli.com

Heather K. Ciavanaugh, OSB No. 03164

heather.cavan.ough@millernash.com

(503) 224-5858

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Partners Small Cap Value, LP, Wynnefield  
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Wynnefield Small Cap Value Offshore  
Fund, Ltd., and Wynnefield Capital  
Management, LLC

I hereby certify that I served the foregoing Notice of Removal of Civil Action

Under 28 USC §§ 1332, 1441 and 1446 on:

Mr. David S. Aman  
Tonkon Torp LLP  
888 S.W. Fifth Avenue, Suite 1600  
Portland, Oregon 97204  
FAX: (503) 972-3753 (direct)  
E-mail: [davida@tonkon.com](mailto:davida@tonkon.com)

Mr. Sam E. Rebotsky  
Sam E. Rebotsky Investments  
10 Holder Place, Apt. 3B  
Forest Hills, New York 11375  
FAX: (718) 793-0121

Attorneys for Petitioner

Respondent Pro Se

by the following indicated method or methods:

- ☐ by **faxing** full, true, and correct copies thereof to the parties at the fax numbers shown above, which are the last-known fax numbers for the parties' offices, on the date set forth below.
- ☒ by **mailing** full, true, and correct copies thereof in sealed, first-class postage-prepaid envelopes, addressed to the parties as shown above, the last-known office addresses of the parties, and deposited with the United States Postal Service at Portland, Oregon, on the date set forth below.
- ☐ by transmitting full, true, and correct copies thereof to the parties through the court's **CM/ECF system** on the date set forth below.
- ☐ by transmitting full, true, and correct copies thereof by **electronic means** to the parties at the parties' last-known e-mail addresses listed above on the date set forth below.
- ☐ by sending full, true, and correct copies thereof via **overnight courier** in sealed, prepaid envelopes, addressed to the parties as shown above, the last-known office addresses of the parties, on the date set forth below.
- ☐ by causing full, true, and correct copies thereof to be **hand-delivered** to the parties at the parties' last-known office addresses listed above on the date set forth below.

DATED this 29 day of December, 2006.



Bruce A. Rubin

Of Attorneys for Respondents Wynnefield  
Partners Small Cap Value, LP, Wynnefield  
Partners Small Cap Value, LP I, Wynnefield  
Small Cap Value Offshore Fund, Ltd., and  
Wynnefield Capital Management, LLC